

SEC. 332. DEFENSE BUSINESS ENTERPRISE ARCHITECTURE, SYSTEM
ACCOUNTABILITY, AND CONDITIONS FOR OBLIGATION OF FUNDS FOR
DEFENSE BUSINESS SYSTEM MODERNIZATION.

(a) In General.--(1) Chapter 131 of title 10, United States Code, is amended by inserting before section 2223 the following new section:

"Sec. 2222. Defense business systems: architecture, accountability, and modernization

"(a) Conditions for Obligation of Funds for Defense Business System Modernization.--Effective <<NOTE: Effective date.>> October 1, 2005, funds appropriated to the Department of Defense may not be obligated for a defense business system modernization that will have a total cost in excess of \$1,000,000 unless--

"(1) the approval authority designated for the defense business system certifies to the Defense Business Systems Management Committee established by section 186 of this title that the defense business system modernization--

"(A) is in compliance with the enterprise architecture developed under subsection (c);

"(B) is necessary to achieve a critical national security capability or address a critical requirement in an area such as safety or security; or

"(C) is necessary to prevent a significant adverse effect on a project that is needed to achieve an essential capability, taking into consideration the alternative solutions for preventing such adverse effect; and

"(2) the certification by the approval authority is approved by the Defense Business Systems Management Committee.

"(b) Obligation of Funds in Violation of Requirements.--The obligation of Department of Defense funds for a business system modernization in excess of the amount specified in subsection (a) that has not been certified and approved in accordance with such subsection is a violation of section 1341(a)(1)(A) of title 31.

"(c) Enterprise Architecture for Defense Business Systems.--Not later than <<NOTE: Deadline.>> September 30, 2005, the Secretary of Defense, acting through the Defense Business Systems Management Committee, shall develop--

"(1) an enterprise architecture to cover all defense business systems, and the functions and activities supported by defense business systems, which shall be sufficiently defined to effectively guide, constrain, and permit implementation of interoperable defense business system solutions and consistent with the policies and procedures established by the Director of the Office of Management and Budget, and

"(2) a transition plan for implementing the enterprise architecture for defense business systems.

"(d) Composition of Enterprise Architecture.--The defense business enterprise architecture developed under subsection (c)(1) shall include the following:

"(1) An information infrastructure that, at a minimum, would enable the Department of Defense to--

"(A) comply with all Federal accounting, financial management, and reporting requirements;

"(B) routinely produce timely, accurate, and reliable financial information for management purposes;

"(C) integrate budget, accounting, and program information and systems; and

"(D) provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.

"(2) Policies, procedures, data standards, and system interface requirements that are to apply uniformly throughout the Department of Defense.

"(e) Composition of Transition Plan.--(1) The transition plan developed under subsection (c)(2) shall include the following:

"(A) The acquisition strategy for new systems that are expected to be needed to complete the defense business enterprise architecture.

"(B) A listing of the defense business systems as of December 2, 2002 (known as 'legacy systems'), that will not be part of the objective defense business enterprise architecture, together with the schedule for terminating those legacy systems that provides for reducing the use of those legacy systems in phases.

"(C) A listing of the legacy systems (referred to in subparagraph (B)) that will be a part of the objective defense business system, together with a strategy for making the modifications to those systems that will be needed to ensure that such systems comply with the defense business enterprise architecture.

"(2) Each of the strategies under paragraph (1) shall include specific time-phased milestones, performance metrics, and a statement of the financial and nonfinancial resource needs.

"(f) Approval Authorities and Accountability for Defense Business Systems.--The Secretary of Defense shall delegate responsibility for review, approval, and oversight of the planning, design, acquisition, deployment, operation, maintenance, and modernization of defense business systems as follows:

"(1) The Under Secretary of Defense for Acquisition, Technology and Logistics shall be responsible and accountable for any defense business system the primary purpose of which is to support acquisition activities, logistics activities, or installations and environment activities of the Department of Defense.

"(2) The Under Secretary of Defense (Comptroller) shall be responsible and accountable for any defense business system the primary purpose of which is to support financial management activities or strategic planning and budgeting activities of the Department of Defense.

"(3) The Under Secretary of Defense for Personnel and Readiness shall be responsible and accountable for any defense business system the primary purpose of which is to support human resource management activities of the Department of Defense.

"(4) The Assistant Secretary of Defense for Networks and Information Integration and the Chief Information Officer of

the Department of Defense shall be responsible and accountable for any defense business system the primary purpose of which is to support information technology infrastructure or information assurance activities of the Department of Defense.

"(5) The Deputy Secretary of Defense or an Under Secretary of Defense, as designated by the Secretary of Defense, shall be responsible for any defense business system the primary purpose of which is to support any activity of the Department of Defense not covered by paragraphs (1) through (4).

"(g) Defense Business System Investment Review.--(1) The Secretary of Defense shall require each approval authority designated under subsection (f) to establish, not later than March 15, 2005, an investment review process, consistent with section 11312 of title 40, to review the planning, design, acquisition, development, deployment, operation, maintenance, modernization, and project cost benefits and risks of all defense business systems for which the approval authority is responsible. The investment review process so established shall specifically address the responsibilities of approval authorities under subsection (a).

"(2) The review of defense business systems under the investment review process shall include the following:

"(A) Review and approval by an investment review board of each defense business system as an investment before the obligation of funds on the system.

"(B) Periodic review, but not less than annually, of every defense business system investment.

"(C) Representation on each investment review board by appropriate officials from among the armed forces, combatant commands, the Joint Chiefs of Staff, and Defense Agencies.

"(D) Use of threshold criteria to ensure an appropriate level of review within the Department of Defense of, and accountability for, defense business system investments depending on scope, complexity, and cost.

"(E) Use of procedures for making certifications in accordance with the requirements of subsection (a).

"(F) Use of procedures for ensuring consistency with the guidance issued by the Secretary of Defense and the Defense Business Systems Management Committee, as required by section 186(c) of this title, and incorporation of common decision criteria, including standards, requirements, and priorities that result in the integration of defense business systems.

"(h) Budget Information.--In the materials that the Secretary submits to Congress in support of the budget submitted to Congress under section 1105 of title 31 for fiscal year 2006 and fiscal years thereafter, the Secretary of Defense shall include the following information:

"(1) Identification of each defense business system for which funding is proposed in that budget.

"(2) Identification of all funds, by appropriation, proposed in that budget for each such system, including--

"(A) funds for current services (to operate and maintain the system); and

"(B) funds for business systems modernization, identified for each specific appropriation.

"(3) For each such system, identification of the official

to whom authority for such system is delegated under subsection (f).

"(4) For each such system, a description of each certification made under subsection (d) with regard to such system.

"(i) Congressional Reports.--Not later than March 15 of each year from 2005 through 2009, the Secretary of Defense shall submit to the congressional defense committees a report on Department of Defense compliance with the requirements of this section. The first report shall define plans and commitments for meeting the requirements of subsection (a), including specific milestones and performance measures. Subsequent reports shall--

"(1) describe actions taken and planned for meeting the requirements of subsection (a), including--

"(A) specific milestones and actual performance against specified performance measures, and any revision of such milestones and performance measures; and

"(B) specific actions on the defense business system modernizations submitted for certification under such subsection;

"(2) identify the number of defense business system modernizations so certified;

"(3) identify any defense business system modernization with an obligation in excess of \$1,000,000 during the preceding fiscal year that was not certified under subsection (a), and the reasons for the waiver; and

"(4) discuss specific improvements in business operations and cost savings resulting from successful defense business systems modernization efforts.

"(j) Definitions.--In this section:

"(1) The term 'approval authority', with respect to a defense business system, means the Department of Defense official responsible for the defense business system, as designated by subsection (f).

"(2) The term 'defense business system' means an information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management.

"(3) The term 'defense business system modernization' means--

"(A) the acquisition or development of a new defense business system; or

"(B) any significant modification or enhancement of an existing defense business system (other than necessary to maintain current services).

"(4) The term 'enterprise architecture' has the meaning given that term in section 3601(4) of title 44.

"(5) The terms 'information system' and 'information technology' have the meanings given those terms in section

11101 of title 40.

"(6) The term 'national security system' has the meaning given that term in section 2315 of this title."

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2223 the following new item:

"2222. Defense business systems: architecture, accountability, and modernization."

(b) Defense Business System Management Committee.--(1) Chapter 7 of such title is amended by adding at the end the following new section:

"Sec. 186. Defense Business System Management Committee

"(a) Establishment.--The Secretary of Defense shall establish a Defense Business Systems Management Committee, to be composed of the following persons:

"(1) The Deputy Secretary of Defense.

"(2) The Under Secretary of Defense for Acquisition, Logistics, and Technology.

"(3) The Under Secretary of Defense for Personnel and Readiness.

"(4) The Under Secretary of Defense (Comptroller).

"(5) The Assistant Secretary of Defense for Networks and Information Integration.

"(6) The Secretaries of the military departments and the heads of the Defense Agencies.

"(7) Such additional personnel of the Department of Defense (including personnel assigned to the Joint Chiefs of Staff and combatant commands) as are designated by the Secretary of Defense.

"(b) Chairman and Vice Chairman.--The Deputy Secretary of Defense shall serve as the chairman of the Committee. The Secretary of Defense shall designate one of the officials specified in paragraphs (2) through

(5) of subsection (a) as the vice chairman of the Committee, who shall act as chairman in the absence of the Deputy Secretary of Defense.

"(c) Duties.--(1) In addition to any other matters assigned to the Committee by the Secretary of Defense, the Committee shall--

"(A) recommend to the Secretary of Defense policies and procedures necessary to effectively integrate the requirements of section 2222 of this title into all business activities and any transformation, reform, reorganization, or process improvement initiatives undertaken within the Department of Defense;

"(B) review and approve any major update of the defense business enterprise architecture developed under subsection (b) of section 2222 of this title, including evolving the architecture, and of defense business systems modernization plans; and

"(C) manage cross-domain integration consistent with such enterprise architecture.

"(2) The Committee shall be responsible for coordinating defense

business system modernization initiatives to maximize benefits and minimize costs for the Department of Defense and periodically report to the Secretary on the status of defense business system modernization efforts.

"(3) The Committee shall ensure that funds are obligated for defense business system modernization in a manner consistent with section 2222 of this title.

"(c) Definitions.--In this section, the terms `defense business system' and `defense business system modernization' have the meanings given such terms in section 2222 of this title."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

(c) Implementation Requirements.--Not <<NOTE: Deadline. 10 USC 186 note.>> later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall--

(1) complete the delegation of responsibility for the review, approval, and oversight of the planning, design, acquisition, deployment, operation, maintenance, and modernization of defense business systems required by subsection

(f) of section 2222 of title 10, United States Code, as added by subsection (a)(1); and

(2) designate a vice chairman of the Defense Business System Management Committee, as required by subsection (b) of section 186 of such title, as added by subsection (b)(1).

(d) Comptroller General Assessment.--Not later than 60 days after the date on which the Secretary of Defense approves the defense business enterprise architecture and transition plan developed under section 2222 of title 10, United States Code, as added by subsection (a)(1), and again each year not later than 60 days after the submission of the annual report required under subsection (i), the Comptroller General shall submit to the congressional defense committees an assessment of the extent to which the actions taken by the Department comply with the requirements of such section.

(e) Relation to Annual Registration Requirements.--Nothing in sections 186 and 2222 of title 10, United States Code, as added by this section, shall be construed to alter the requirements of section 8083 of the Department of Defense Appropriations Act, 2005 (Public Law 108-287; 118 Stat. 989), with regard to information technology systems (as defined in subsection (d) of such section).

(f) Repeal of Obsolete Financial Management Enterprise Architecture Requirements.--Section 1004 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314; 10 U.S.C. 113 note) is repealed.